



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
TOURISM PROGRAM DEVELOPMENT SUBCOMMITTEE
REGULAR MEETING**

Tuesday, March 8, 2011

**Economic Vitality Office
4021 N. 75th Street, Suite 102
SCOTTSDALE, ARIZONA 85251**

Approved Minutes

PRESENT: Kate Birchler, Chairwoman
Mike Surguine, Vice Chairman
Leon Young (arrived at 3:12 p.m.)

STAFF: Bob Tunis

GUESTS: Brent DeRaad, SCVB

1. Call to Order/Roll Call

Chairwoman Birchler called the meeting to order at 3:08 p.m.

2. Approval of Minutes

VICE CHAIRMAN SURGUINE MOVED APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 8, 2011. THE MOTION PASSED BY A VOTE OF TWO (2) TO ZERO (0). MR. YOUNG WAS NOT YET PRESENT.

3. Proposed Work Study Session: Tourism Development Commission/City Council

Mr. Bob Tunis said the hope is to schedule a work study session with City Council in April or May. Chairwoman Birchler hoped this will be an opportunity for a face to

face open discussion before the end of this fiscal year. Mr. Tunis undertook to check with Mr. Geiogamah on the status of the request. Chairwoman Birchler commented that the City Manager and City Treasurer should be part of the discussion too.

4. Event Support Program

Mr. Tunis relayed a comment from Mr. Geiogamah that if they were to choose Option B, more discussion would be required, because a number of unintended consequences could result from that option.

Chairwoman Birchler noted that the purpose of this is to establish whole new event program. Mr. DeRaad told her that he did not participate in this discussion, but had reviewed the proposal. Chairwoman Birchler said they had asked the CVB to be part of this discussion, since they have spent so much time looking at event programs and how best to help them on a case by case basis.

Mr. Tunis said to his understanding the proposal had been previously made and reviewed, although the version in the packet was only finalized recently.

Vice Chairman Surguine inquired about the relationship of this proposal to the legacy program. Chairwoman Birchler replied that all the events were supposed to be placed under one umbrella with a tiered approach, with the support of the CVB. She felt they need to refine the proposal with the CVB based on the event specific approach the CVB has considered.

Mr. DeRaad distributed a proposal he drafted based on the discussion last November. He stressed that everything is malleable, he wanted to figure out who would take the lead in soliciting new events and retaining and enhancing existing events. What else is needed to be competitive? How can they create a customized approach? He said he is open to adding legacy events to the proposal.

He said his list is typically what events want from the City and the CVB, i.e. cash, City services, expedited special event permitting, street banners, national, city, and local promotion. Some events generate more tourism while others are more local, although some local events generate national coverage.

In return, the CVB and the City hope for an economic impact from the events. He recalled earlier discussion about standardized economic impact research in order to know what events are worth to the City.

Mr. DeRaad said events may participate in coop advertising. Ensuring that events have a stake in Scottsdale is important. The Barrett-Jackson Classic Car Auction is a case in point. Noting that the status quo may be the easiest thing, he said if the Commission wants to look at a radical change these are the types of things to look at. The question of staffing would have to be resolved. He noted that it has been difficult to determine how much the City is investing in events. This includes the value of City in-kind services, venue improvements, fee waivers and reductions. Having all this information would enable them to take a holistic look at events. He

pointed out that some event promoters might rather be allowed to have pole banners than receiving cash grants.

Vice Chairman Surguine opined that for existing events they might consider having promoters explain what they will do with the money that will benefit tourism. Mr. DeRaad agreed that this process should look at each event to see how they can best help each other. Chairwoman Birchler reminded them that the minutes were to serve as a to do list to help them move forward towards a consolidated approach. Not having the CVB's input yet means they cannot move forward with recommendations.

Mr. Tunis undertook to arrange a separate meeting with staff and the CVB. He remarked that he did not see much conflict between the option in the packet and what Mr. DeRaad had distributed. The basic goal is being as flexible as possible while still being objective.

Chairwoman Birchler said she agreed but only to some degree. The biggest challenge with MEAF is that there have been no benchmarks or consistency, which was the purpose of revamping MEAF. In terms of what the events can do for the City, she argued that there needs to be consistency.

Mr. Tunis said as a city, Scottsdale must have guidelines and structure. Saying that information is power, Mr. DeRaad urged the need for baseline to measure the economic impact of each event. This would give the Commission and staff more justification to tailor support to different events appropriately.

Vice Chairman Surguine said the goal, especially with the existing successful events, should not be to continue to throw money at them, if the City is not deriving any benefit. Craig Jackson has actually stated that the \$20,000 City contribution does not mean anything. Vice Chairman Surguine said it would be better to use the money for something different that would bring new results.

Mr. DeRaad asked whether the Subcommittee members agreed that the assets he had listed in his proposal should be made available to events, and whether they felt other things should also be available.

Mr. Young asked what was encompassed under city services in kind. After a brief discussion, Vice Chairman Surguine pointed out that the Commission has made repeated requests to quantify the value of in kind services, so that they could tell promoters exactly how much Scottsdale is giving them.

Mr. Tunis clarified that there are really two issues at stake. The current discussion is about the external issue. Inside the City they are considering unifying event regulation with event promotion on a global scale. He feels that this important issue has to be handled separately from the rest of the events policies.

Mr. Young said the desire of promoters to have expedited special event permits ties into this area. He recalled a two-week-long email exchange between the Police

Department, his hotel, and City staff regarding whether a special event permit was needed for a piano player to play in the hotel lobby.

Vice Chairman Surguine said he would add cooperation to Mr. DeRaad's list of things the City should make available to event promoters. There should be one point of contact. Mr. Tunis said staff is addressing that issue. However he felt that this could take longer to deal with and in the meantime the rest of the process should not be delayed.

Mr. Young suggested that events might want either increased or expanded transit for events. People loved the trolley, but a 30-day trial is not a valid test, since no one knew it was in place. The trolley is worth regenerating for next year and providing connections to the Waste Management Open, the Barrett-Jackson, southern Scottsdale, et cetera.

Everyone concurred that research to measure the return on investment is essential and should be included in the events budget.

Mr. Tunis apologized that staff had misunderstood the purpose of today's meeting, thinking it would be a general policy discussion, to be followed by a detailed discussion later with the CVB.

Chairwoman Birchler said they have been discussing the event program for some time. Last summer they had noted the need for City staff to sit down with the CVB.

Mr. Young said everything the Subcommittee wants is contained between the two documents. He liked the approach of offering established events a menu of options, while offering cash contributions and a single point of contact in the City makes sense for the new events.

Chairwoman Birchler said she envisioned the entire program under one umbrella and with one budget. Mr. Young said he believes once the return on investment can be measured the events will separate themselves. The key piece is to decide upon the formula. He agreed that all events should be under one umbrella. The Tourism Development Commission should do all the legwork and present recommendations to City Council.

Chairwoman Birchler said making this recommendation will be a big part of what they need to fight for when it comes to recommending how the other 50 percent of the bed tax dollars are allocated. It is also important to streamline the events funding process.

Mr. DeRaad said the concept of offering a choice of contributions is valuable. For example one of the biggest needs for the Barrett-Jackson Classic Car Auction and the Arabian Horse Show is facilities. He pointed out that the City's half of the bed tax is not enough for all the capital projects people have in mind. The Commission could think about helping to augment that to some extent. Chairwoman Birchler said that is why the timing of the work study session is so important.

Mr. Tunis summarized that the general consensus is that the overall framework is acceptable, but that a number of details have to be worked out. Chairwoman Birchler said the criteria and the benefits should be included. Vice Chairman Surguine said Mr. DeRaad's draft contains the big picture.

Chairwoman Birchler asked how the Commission's five-year strategic plan relates to Economic Vitality. Mr. Tunis clarified that the Tourism plan will be folded into the overall Economic Vitality plan but will also stand alone.

Mr. Tunis stated he is somewhat concerned about having unification between the control and promotion aspect under a single entity. He would like the policy on the promotion and funding of events to be created with a separate track for coordinating the internal administration within the City. Doing everything together would slow down the funding policy.

Mr. Young said he felt that the promotion and funding policy should make reference to expedited permitting for the new events. Mr. Tunis said the promotion and funding policy can state that they are working towards a unified approach.

Mr. Young said that when his hotel puts on an event, there is an orchestrated effort. To the public, one person is the face of that event, dealing with the chaos behind the scenes, which is invisible to the public. Mr. Tunis said coordination within the City is much bigger than that. Mr. Young said that coordinating the various City departments is a long-term effort, however in the meantime the City could appoint one staff person capable of navigating the complexities to assist event promoters.

Vice Chairman Surguine added that it is important to acknowledge that the current way special events are handled is broken and they want to fix it. They need to look for good holistic solutions and it important to be clear in their communications.

Chairwoman Birchler said this must be addressed and a key question is to know which body will lead this charge. When they meet with City Council they need to anticipate any question Council may have. Radical changes are needed but they must decide who will lead the streamlining process and how it will be funded.

Vice Chairman Surguine suggested looking at other cities who are doing a great job at event promotion and adopting their best practices.

Chairwoman Birchler suggested that somebody from the Chamber of Commerce should present the Commission with an overview of what was discussed in the Scottsdale Forward seminar last week. Mr. Tunis undertook to work on that for either the March or April Commission meeting.

Chairwoman Birchler said she would like an update of today's Subcommittee meeting added to the agenda for next week's Tourism Development Commission meeting next week. The Subcommittee members agreed to approve the draft minutes before the Commission meeting.

5. Identification of Future Agenda Items

Chairwoman Birchler said future agenda items include the date for the work study session with City Council and the Tourism Development Commission, the policy and making sure the Tourism five-year strategic plan is ready to be shared with City Council. It is important to go into the work study session to provide the Commission's recommendations, rather than asking Councilmembers for their ideas.

Mr. Tunis requested a list of the action items. Chairwoman Birchler summarized that these include getting a date for the work study session with Council, revamping the two events policy documents, and holding a meeting with the CVB and the City to fine-tune the policy. Mr. Tunis noted that Option A of the policy is more advertising based and Option B is broader and harder to nail down. Chairwoman Birchler said she felt a melding of the two options might be appropriate. Mr. Tunis warned the Subcommittee members that the meeting with the CVB may not take place before the next Tourism Development Commission meeting on March 15.

Chairwoman Birchler asked whether there is an issue with the City making a financial contribution over and above in-kind services. Mr. DeRaad said there is not and noted that the P.F. Chang's Rock 'n' Roll marathon receives both a cash contribution and in-kind services. Chairwoman Birchler asked whether that is considered double-dipping and whether this would be a concern to Councilmembers. Mr. DeRaad said it goes back to return on investment. As long as the requested investment delivers a substantial return, the investment would be worth making. Mr. Tunis said he felt the only issue might be quantifying in-kind services. Everyone concurred that the value of in-kind services is not known. Mr. DeRaad said quantifying this would enable them to tell event organizers how much Scottsdale supports them, which is not always appreciated. Vice Chairman Surguine opined that it should be possible to come up with a hard dollar value for many of the services. He said the trolley service is valuable to events and the city does not get enough credit for providing it. Mr. Tunis said he needs to do some research. In the previous city where he worked every single dollar provided in in-kind services was quantified and funds were transferred between departments to balance the budget.

The next scheduled meeting of the Subcommittee is March 15, 2011

6. Public Comment

None noted.

7. Adjournment

The meeting adjourned at approximately 4:04 p.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz